

IN THE TASMANIAN INDUSTRIAL COMMISSION

Industrial Relations Act 1984

T No TP82 of 1990

IN THE MATTER OF Conference -
Public Sector Awards - Progress
Report - Structural Efficiency

T No 2399 of 1990

IN THE MATTER OF an application by
the Tasmanian Public Service
Association to vary nominated public
sector awards

T No 2457 of 1990

IN THE MATTER OF an application by
the Tasmanian Teachers Federation to
vary nominated public sector awards

re structural efficiency principle

FULL BENCH

DEPUTY PRESIDENT
COMMISSIONER GOZZI
COMMISSIONER WATLING

Hobart, 13 June 1990
Continued from 12 June 1990

TRANSCRIPT OF PROCEEDINGS

DEPUTY PRESIDENT: Thank you. Any changes in appearances?

MR WILLINGHAM: Good morning, Mr Deputy President.

DEPUTY PRESIDENT: Weren't you here yesterday?

MR WILLINGHAM: I was, and vicariously, the Minister Administering the State Service Act, Mr Deputy President.

But if the Commission pleases, I also announce further appearances in respect of His Excellency the Governor, the Speaker of the House of Assembly, the President of the Legislative Council, the North West Regional Water Authority.

And if it should become necessary - and I haven't had time to check the respondency list - also the Commissioner of Police.

DEPUTY PRESIDENT: Thank you, Mr Willingham. I am a little bit surprised to see the Teachers Federation represented here this morning. I understood that they were going to go federal.

MR LANE: Mr Deputy President, I expected some comment to be made today about what was obviously a matter portrayed on the news last night.

I can assure you that the Tasmanian Teachers Federation has no intention of going federal. The Tasmanian Teachers Federation is a State registered organisation and will be working within the State jurisdiction on matters pertaining to the industrial interests of its members.

DEPUTY PRESIDENT: I see. Well, I wouldn't object to anyone exercising a right as to which jurisdiction they operate in, of course. But, as someone else earlier said, it's a bit awkward operating with one foot each side of the barbed wire fence, or words to that effect.

Mr Vines, yesterday you were on your feet and making a submission and

answering numerous questions. You had indicated to us, I think, that on the agenda matters which you had put forward, I think your preferred situation would be that they be presented to the Commission as agreed matters. But if that was not possible, then you would not be opposed to them being, at some time, arbitrated.

MR VINES:

That's correct, sir.

DEPUTY PRESIDENT:

Before we make any pronouncement on that sort of situation, I think we would, after you have completed your initial address to us, we would like to hear obviously some response from Mr Willingham and all those whom he represents.

MR VINES:

I think, as I indicated at the conclusion of yesterday's hearing, sir, I would too like to hear that response from Mr Willingham and those he represents.

Mr Deputy President, from our point of view, as we indicated repeatedly yesterday, we would prefer to have an agreed position to bring to the Commission, particularly in relation to the productivity improvements that will come from award restructuring. But also, probably even more so, in relation to the structures that come out of award restructuring.

We are more than prepared and more than willing for this Commission to arbitrate on both of those issues, and indeed that's why we are here.

But we would say, Mr Deputy President, that in relation to the new award structures and the enormous amount of work that has to be done in the implementation of such a degree of change, we would be still endeavouring to exhaust every possible avenue to get the government to sit down and negotiate properly with us.

My staff have been discussing in great detail last night and again this morning with our counterparts in South Australia. And the amount of work that South Australia has done on award restructuring - they have picked up a system identical to our four-stream proposal - has been just absolutely phenomenal. Just in relation to the administrative stream, for example, their detailed proposals go to some 46 pages.

Now, it is precisely those sorts of negotiations that we want to start having with the government. But as I indicated yesterday, we are starting to get increasingly concerned as to whether this government actually does still support award restructuring. Or, once we have successfully achieved the 3%, whether they just close up the doors and say, 'No, well, you have got your 3%, the rest of it is too hard for us'.

What I have done, Mr Deputy President, in relation to that, I have written to Mr Clark, the Secretary of Department of Premier and Cabinet and the nominal employer of State Service employees, and if I can read that letter, sir. I won't tender it at this stage because I haven't received a response from Mr Clark but just so the Commission understands what our position is, and I quote from the letter:

That within the PSA and public sector unions generally there is a real concern that the government may withdraw its support for proper award restructuring following the payment of the second 3%.

The PSA is presently seeking the involvement of the Tasmanian Industrial Commission to ensure that award restructuring does eventuate.

The PSA is firmly committed to the principle of award restructuring and believes that it will facilitate significant and lasting productivity improvements to the State Service.

The PSA welcomes the Commission's preparedness to arbitrate the award restructuring proposals. However, we maintain our position that such matters are better negotiated with an outcome based on constructive discussions and a thorough investigation of the issues.

Our awards need major review and to ensure that the best possible structures and operation of State Service awards, I seek a firm commitment from the Government to the basic principle of award restructuring.

In particular, we seek a commitment to change based on the PSA's four-stream proposals. Such will include:

- 1) the multiskilling of employees and the broadbanding of current classifications with the objective of introducing more flexible and satisfying jobs and work arrangements;

- 2) a commitment to introducing appropriate training programs and support aimed at giving all employees the opportunity for skills enhancement and progression through careers

path, providing for a more highly skilled work force;

3) agreement to jointly review all current positions with the objective of redesigning jobs to ensure maximum flexibility and productivity is achieved and career opportunities and job satisfaction provided through the restructured awards;

4) agreement to the reduction of current scales to four with standardised classification guidelines to be inserted into awards and provision of the consistent classification of positions and,

5) the development of an agreed timetable to ensure the expeditious implementation of the above.

As we have constantly stated, the PSA's committed to the fundamental restructuring of awards. We believe such will have enormous benefits for both the government and State Service employees and seek your commitment to the above principles.

The PSA will continue to argue for the payment of the second 3% before the Commission today but hope that a commitment from government can be forthcoming to enable constructive negotiations on award structures to continue.

Yours faithfully,

Greg Vines

Mr Deputy President, I haven't received a response to that and I concede that it was only sent this morning and even at the lofty heights of Secretary of Premier and Cabinet Department, things don't necessarily move that quickly, but what we're trying to say to the government is that we want them to regard this whole matter as seriously as we do, that we maintain our position that we believe we're entitled to the payment of the second 3% on the basis of the work that we have done to date on award restructuring and our proposals for the future on award restructuring, that we are prepared for the Commission to arbitrate both issues, both the 3% and what happens after the 3%, but particularly in relation to the latter, we see that negotiation is really the only way to go.

And I stress, Mr Deputy President, as I did yesterday, that I see we've got a once-off opportunity to fix these awards.

If we don't do it now, we won't get that chance again and we're just going to continue to have a disastrous situation in the future, similar to what we have now.

I would hope that when Mr Willingham addresses the Commission he can address some of those issues that we've raised because again I have no idea what the government's attitude ... although I'd anticipate what the government's attitude is in relation to the Commission arbitrating on the 3% and then setting the rest of the award restructuring proposals aside. But that will be the thrust of our submissions.

Mr Deputy President, I am prepared this morning to proceed with further detail on our proposals on the sorts of things that we want to endeavour

to achieve if the Commission wishes us to proceed on that course.

DEPUTY PRESIDENT:

It might be helpful I think if we got a response from Mr Willingham, whatever way he wants to respond of course, before we consider asking you for the greater detail to put meat on the bones, as it were.

Just one question, I think you said that Mr Clark is the nominal employer. Isn't the Minister administering the State Service Act still the nominal employer or am I behind the times?

MR VINES:

Well, yes, sir, it's probably the wrong terminology that I've used but Mr Clark is, in current terms, the equivalent of the Secretary for Public Administration as well as Secretary for Premier and Cabinet and as that is the employing department, if you like, it was the terminology I was using.

But, yes, I think the Minister is still the employer and the Minister these days is in fact the Premier.

DEPUTY PRESIDENT:

I see. Right, thank you.

Mr Willingham?

MR WILLINGHAM:

Mr Deputy President, members of the Bench, am I to assume at this stage that you're going to deal with the TPSA applications, wind those through and then take on applications other than those of the TPSA? For instance, the Teachers position. Is there anything I should know before I do a general response, from them, my colleague, the Hospital Employees Federation's representative?

DEPUTY PRESIDENT:

Well, certainly, we'll give them the opportunity to comment before we ask for your final response.

MR WILLINGHAM:

I'm just wondering, Mr Deputy President, what in fact I'm sort of

doing. I'm going out of turn. I'm not listening to everyone else's submissions. I don't know quite who's going to be coming in behind me and where I'm left in terms of responses.

Mr Vines has conceded that this is not a substantive or major submission at this point. I'm quite happy to respond accordingly if you wish.

DEPUTY PRESIDENT:

Well, essentially Mr Vines has led off and he's indicated earlier that he's having a coordinated approach to the claims before us generally. I think it has to be acknowledged that applications such as that from the TTF need to be probably addressed separately.

But I suspect that they will be equally interested in the general way the TPSA matters go as, indeed, we are.

MR WILLINGHAM:

I'm not sure that it's a difficulty, Mr Deputy President and members of the Bench, but some of the arguments that we might wish to advance in relation to, for instance, the Teachers Federation's matters may be different from those we would advance in the majority of the cases that Mr Vines has put forward.

DEPUTY PRESIDENT:

Yes.

MR WILLINGHAM:

And if there are overlapping or interrelating issues between them I'd like to get them all in one hit.

DEPUTY PRESIDENT:

Right. Well, obviously Mr Vines is presenting the TPSA case in respect of all of the applications to which his organisation is a party, and your response need only be directed towards that.

But certainly if other organisations want to have an opportunity to comment at this stage, then I agree that they should be given the opportunity.

MR WILLINGHAM: Perhaps I'll resume my seat very briefly.

DEPUTY PRESIDENT: So I'll just ask formally if other organisations want to comment separately or as part of Mr Vines's submission before we ask Mr Willingham to respond.

No, all right. Sorry, Mr Brown?

MR BROWN: In relation to the case presented by Mr Vines we don't ... our organisation ... we're not clear of our position in regard to that. But certainly in relation to T.82, is it, we'd like to report on that at some stage.

DEPUTY PRESIDENT: Yes. Well, I think probably it might be appropriate to hear your comments on awards in which you're interested, Mr Brown, under the umbrella of T.82, which is still before us. If it would be convenient, Mr Brown.

MR BROWN: Mr Deputy President and Commissioners, our organisation have presented details of a restructured award ...

DEPUTY PRESIDENT: Which awards are you going to refer to in particular, Mr Brown? Can you help us?

MR BROWN: The Miscellaneous Workers (Public Sector) Award, the Advanced Education Award.

DEPUTY PRESIDENT: Right.

MR BROWN: And also we have been discussing the Bruny Island Ferry, which is ...

DEPUTY PRESIDENT: The Shipping Award as it relates to government ferries.

MR BROWN: Yes, which is involved in the Shipping Award.

We have developed an extensive structure. We've had consultation with members through a series of 1-day seminars followed by 3-day seminars, an examination of the work and ways to improve efficiency and productivity and to achieve flexibility.

In general, there seems to be agreement re restructure, but not yet in regard to recognition of skills acquired and to progression through the restructure grades according to skills.

Last Thursday we met with the department who were representatives from all departments present.

Mr Willingham apologised for not being there. We were somewhat disappointed by the response. There did not appear to be common approach by the departments. Indeed, in some cases we were advised of a shopping list which ranged from a 10% wage cut for some employees to a proposal to abolish penalty rates and work within hours as agreed between the department and individual employees.

As I said, we were somewhat disappointed with that meeting and it does appear to us that because of the State Government's position in regard to their finances and their need to convince the Federal Government that the Premiers' Conference of specific grants to Tasmania to assist them that they may be reluctant at this stage to grant an increase in the belief that that would have an adverse effect on their bargaining position.

So the legitimate claim of the State employees for a 3% wage claim does seem to be impeded somewhat by the position that the government finds themselves in.

And hence, I suppose, then we support that the Commission should grant the

3% in that regard because we believe that it would then open the door for us to genuinely get into the avenue of restructure and applying efficiencies in the public service. Thank you.

DEPUTY PRESIDENT:

Yes, thank you, Mr Brown. Mr Warwick?

MR WARWICK:

Mr Deputy President, members of the Bench, the Hospital Employees Federation is respondent to six of the awards before you in respect to T.2399, two of which are subject to appeal ... I'm sorry, a further two of which are subject to appeal.

I rise to my feet principally to ensure that we have an opportunity to respond to Mr Willingham. I understand the hearing will conclude this morning.

DEPUTY PRESIDENT:

Yes.

MR WARWICK:

The committee of the federation meets this afternoon, and they will make a decision about what our response will be if the Bench sits again tomorrow.

But I simply make two points. The fact that our principal award does not appear on this list should not be taken to mean that we do not support the four-stream proposals of the PSA. We see them as appropriate and consistent with what we are attempting to achieve. It does not appear on this list.

And the second point I wish to make is because we are not going to accept the proposals that Mr Willingham has put to us in terms of the sorts of changes he wants to our awards.

Principally, in saying that, the point I would seek to make is that we do not seek arbitration on those issues at this stage. If the Commission pleases.

DEPUTY PRESIDENT:

Thank you.

COMMISSIONER GOZZI: More specifically, Mr Warwick, you are not seeking arbitration in respect of matters appertaining to the Hospital Employees (Public Hospitals) Award. It could be, given the situation and how it develops this morning, that de facto anyway, you are supporting arbitration in respect of the other five awards that are currently in the lists.

MR WARWICK: That is a logical consequence of the circumstances.

COMMISSIONER GOZZI: Yes, fine.

DEPUTY PRESIDENT: Anyone else? Mr Lane?

MR LANE: Mr Deputy President, just before Mr Willingham does have his say, it may be of some benefit if I express the view that the Teachers Federation would like at this stage to have adjourned, matter T.2456 relating to the Teaching Service (Non-Teaching Staff) Award.

We do this because ... we seek this adjournment because at this stage, whilst we did put a detailed proposal before the government in September of 1989, it was only last week that we received a response to that proposal, and we have not as yet been able to negotiate or discuss the matter at all.

And therefore I think it would be more appropriate if we were given the opportunity to again ... or to have that matter adjourned and possibly, if the Bench so determines, handed to an individual member of the Bench for when it later comes forward.

DEPUTY PRESIDENT: I see. Anyone else? Mr Pyrke?

MR PYRKE: Mr Deputy President and members of the Bench, I would like to make some

comments in relation to application T.2399 and, in so doing, also throw some light on the other matter, which is TP.82. We endorse the lines of argument ...

DEPUTY PRESIDENT:

Would you just remind us ... oh, sorry, yes, 2399, I have caught up with you.

MR PYRKE:

Sorry. In relation to 2399, we are caught up with that North West Regional Water Authority's Employees Award.

DEPUTY PRESIDENT:

Right.

MR PYRKE:

And the comments that go to TP.82 also affect the Professional Engineers Award.

Mr Deputy President and members, we endorse the lines of argument that have been advanced by Mr Vines regarding the second structural efficiency adjustment of 3%.

We have cooperated in the changes to departmental structures last year by participating in the agency consultative committees; also by or when asked to in relation to the budget situation for this year. We also believe there is potential for efficiency gains to come from job redesign.

But having said that, I note that you rejected that line of approach to the second 3%. You wanted an award change of substance and, this being the case, I have to report that we are not in a position at this stage to make application to vary the award.

We share the PSA position of rejecting the government's shopping list of conditions as it is presently constituted. But unfortunately we are not in the position where we are able to argue for a change to the salary structure.

It is not that we don't believe that there should be changes, but we just haven't exhausted the possibility of coming to you with an agreed position, and we further discussions schedule.

So perhaps I am in your hands at the moment as to whether that particular award that is caught up under T.2399 can actually be divided in terms of the salary clause. In other words, is it possible for the PSA application in respect to that award to be successful, or to be moved independently of the salary rates that apply to professional engineers. There is certainly a precedent for that approach in the private sector awards.

DEPUTY PRESIDENT:

You should be speaking to the TPSA, because they've got members under that award too.

MR PYRKE:

We don't seem to have any members of the same classification. We have been told they don't have any members under the engineer classification, and we don't have any members under their classifications. And so the precedent would be for the private sector, where that applies, that the award ... the salary rates can be varied independently.

And I give the example of the transport workers and clerks when they're industry awards, and ...

DEPUTY PRESIDENT:

Well, what you're saying to us, that you're seeking further discussions in relation to that proportion of the North West Regional Water Authority Award which affects your member or members ...

MR PYRKE:

The salary structure, yes. We would endorse the approach of the PSA in relation to conditions of service.

DEPUTY PRESIDENT:

... but you're happy for the rest of the award to be dealt with under the ...

with the rest ... as part of the main thrust of the TPSA.

MR PYRKE:

Yes. We'd send that to you as a separate application and argument in relation to the structure which we feel is more appropriate at a later time.

DEPUTY PRESIDENT:

Well, you're not seeking an interim 3% like the TPSA are?

MR PYRKE:

Not under this application, sir, no.

DEPUTY PRESIDENT:

No.

MR PYRKE:

But the last thing I want to do is muck things up for the PSA. I mean if it's not possible to divide the award for the salary clause, as I've suggested, we'd have to, in the interests of accommodating that industry award, support the PSA in toto.

DEPUTY PRESIDENT:

But are you talking about an increase of (and I use the example 3%), are you saying that you're prepared to have further discussions in relation to any wage increase at all for that section of the award which affects your organisation?

But you realise the TPSA is urging us to grant a wage increase on the basis of the argument put up for the other section of the award.

MR PYRKE:

Yes. As I said, to me, as I understand the situation, it hangs on the need for a variation of substance.

I mean both the PSA and ourselves are reluctant to agree to the government's approach at the moment. And so that leaves the position of, I think Commissioner Gozzi said yesterday, of arguing in relation to the structure.

Now, the PSA is prepared to argue in relation to the structure under that award, but at the present we're not.

DEPUTY PRESIDENT: Right.

MR PYRKE: And so ... I mean, if you were prepared to ...

COMMISSIONER WATLING: Of course there is some difficulty in dividing up awards, because the decision of the Commission quite clearly says that this shall be an award-by-award process. Now, there's nowhere so far as this Commission awarded increases based on division by division within an award.

MR PYRKE: Of course if they're not under the structural efficiency principle, but it's my understanding, and no doubt you'll correct me if I'm wrong, but it's happened in previous times in relation to, say, clerks and transport workers under industry awards, you know, where they're

COMMISSIONER WATLING: Not under the current principles.

MR PYRKE: No. Well, if you're saying to me it's not possible, well, in that case we'll have to endorse the PSA position entirely, but ...

COMMISSIONER WATLING: Well, I suppose it's open to you to place a submission that the Full Bench ... the State Wage Full Bench should change its decision and now go division by division in an award as opposed to award by award. That argument's never been put to us before.

MR PYRKE: Well, frankly, I'm not prepared to run a case along those lines. I mean I ...

COMMISSIONER WATLING: I would say to you that in past years, and a classic example would be the 4% second tier, awards have been varied division by division where they've been clearly delineated divisions within an award. However, the Bench's decision in this new system said that it should be an award-by-award approach. There's nothing in the decision that says it

shall be divisions within awards and that's why if you've been to any of the report-back meetings in the private sector, you'll find that those questions have been asked in relation to the Clerks and the TWU, because they were pursuing something different.

Then other unions and employers were saying, well, that may well delay the structural efficiency for some of those awards if it is got to be an award-by-award process.

MR PYRKE:

Okay, well, I'm getting a clear message that you want to

COMMISSIONER WATLING:

Well, all I say, from where I sit and from my point of view is that the decision clearly states an award-by-award process.

MR PYRKE:

Right. Well, I thought that and I must have misunderstood the precedent from ... or misinterpreted what I thought was a precedent from a private sector. I don't in that case have a case to argue in this matter, so in that case I'll have to endorse the PSA position because there's no way that I intend to hold up the PSA's application. But I'd just like to place on the record that we don't necessarily agree that the award structure that the PSA is going to argue for professionals and indeed the rights that go with that structure are appropriate for professional engineers and I therefore ... thereby I'd like to make it quite clear that it would be argued for a different approach in relation to the Professional Engineers Award when we apply to have that award varied.

I guess my concern is I don't want to establish ... appear to be establishing the precedent in relation to engineers elsewhere.

It's a complication that inevitably happens with industry awards when we

don't take a coordinated approach to them.

COMMISSIONER WATLING: Yes, well, I understand your submission and what you're telling me and I can understand the stance you're taking. I've been in similar positions before today from your side of the table.

MR PYRKE: If the Commission pleases.

DEPUTY PRESIDENT: It's not easy on either side.

Anyone else before we ask Mr Willingham to respond to what's been put thus far?

We can't delay it any longer, Mr Willingham.

MR WILLINGHAM: to delay, Mr Deputy President, and I was wanting to be as well informed as under the circumstances I can be.

DEPUTY PRESIDENT: I'm impressed.

MR WILLINGHAM: I'm not better informed though, Mr Deputy President.

Can I also mention, Mr Deputy President, I assume that the 'T' numbers that were called out, those going 24, 69 et al through to 81, I think were called of those matters that the TPSA put in yesterday for the special cases.

DEPUTY PRESIDENT: Yes.

MR WILLINGHAM: Sir, as I understand where we're at at the moment, we've got the Tasmanian Teachers Federation and I assume the Secondary Colleges Staff Association seeking an interim 3% increase in respect of the Teaching Service (Teaching Staff) Award.

DEPUTY PRESIDENT: Well, their applications are in.

MR WILLINGHAM: As I understand today's hearing of the matters that are joined, and I understand the Tasmanian Teachers Federation's submission, they seek a 3% interim increase in relation to the Teaching Service Award.

DEPUTY PRESIDENT: Well, we've got enough paper here. I'm sure we could find

COMMISSIONER GOZZI: Mr Willingham, that is basically, I think, correct. It says 'interim' ... by adjusting on an interim basis salaries and appropriate allowances, T.2457.

MR WILLINGHAM: Sir, the Tasmanian Public Service Association, after a bewildering series of applications and amendments and deletions and additions, is seeking an across-the-board 3% second and final structural efficiency instalment in respect of, by my count, 31 public sector awards.

And additionally, the association seeks an across-the-board interim 3% in relation to another 13 public sector awards, by latest count, for which the Anomalies Conference has found special case status.

DEPUTY PRESIDENT: I think originally there were 18, but ...

MR WILLINGHAM: Not all of those, I understand, Mr Deputy President, if I can use the expression, belong to the TPSA.

DEPUTY PRESIDENT: Right.

MR WILLINGHAM: The TPSA also, as I understand it ...

COMMISSIONER GOZZI: Just on that point, my counting of the special cases - not 13 - 15.

MR WILLINGHAM: Yes. I was just going to come to two whose status I'm a little uncertain about, Mr Commissioner Gozzi. Perhaps we're talking about the same two.

COMMISSIONER GOZZI: All I'm saying is the TPSA application, as amended yesterday, contemplates 15 special cases.

MR WILLINGHAM: Indeed.

COMMISSIONER WATLING: It pre-empts the Clerical Employees Award - pre-empts - no more than that.

MR WILLINGHAM: Thank you, Commissioner Watling, I was just going to come to that very point.

I was trying to itemise precisely what I was talking to and I just repeat that. We've got 13 awards in which the TPSA seeks an interim 3% adjustment and for those 13 awards the Anomalies Conference has found arguable cases.

And we have a further two awards in which the TPSA similarly seeks an interim 3% increase and that's the Clerical Employees and the Prison Officers Awards and for which it has been foreshadowed that there will be applications to the Anomalies Conference to have them given special case status.

Now, it would be my argument straightaway that those two matters cannot properly be before the Commission, that is the Clerical Employees Award and the Prison Officers Award since by definition they have no special case status because they have not been to the Anomalies Conference.

As far as I'm aware, Mr Deputy President and members of the Bench, no other employee organisation has made application similar to that of the TPSA, that is the across-the-board approach.

And apart from a couple of, to say the least, confusing comments that fell from Mr Pyrke and from Mr Warwick this morning, no other organisation has spoken in support of

Mr Vines's applications or the approach that he's adopting.

DEPUTY PRESIDENT:

Or against it.

MR WILLINGHAM:

Mr Deputy President, as you frequently remind me, peoples' silence is at their own peril.

DEPUTY PRESIDENT:

Do I do that?

MR WILLINGHAM:

It's not for me to assume that they're not opposing it.

DEPUTY PRESIDENT:

I don't remember that.

MR WILLINGHAM:

I'm sure I can look it up for you, Mr Deputy President.

The TTF might be a singular exception to that in relation to the Physiotherapists, Occupational Therapists and Speech Pathologists Award since they are a party to that award and their silence could be construed either way, Mr Deputy President.

It might be appropriate at this time, Mr Deputy President and members of the Bench, if in fact I hand up for your consideration and information the documentation which has been passing between the Minister's negotiating representatives and the representatives of the various unions with whom we've been negotiating.

I offer it at this stage, only as an information document, nothing else. I thought it might be useful for you to actually get to look at what it is they've been discussing.

DEPUTY PRESIDENT:

Can you help me label this, Mr Willingham? Do you have a previous exhibit in any of these matters?

MR WILLINGHAM:

I really don't know, Mr Deputy President. Given that T.2399 is a new matter, I suspect that W.1 is okay, but I'm not sure.

DEPUTY PRESIDENT:

Yes. Well, we'll take the risk and label it W.1.

MR VINES:

Mr Deputy President, if I could just intervene, the document, which I haven't seen as yet, but I understand is one that has been tendered in discussions between the government and the public sector unions, I had understood was a 'without prejudice' document. It is not a document that we have circulated or made a public document.

I noted Mr Willingham indicated he was handing it up for the information of the Bench, nothing more, nothing less. I'm just wondering what the status of that document is and if it is a new change in procedure that such documents are tendered.

MR WILLINGHAM:

Well, I never cease to lose my capacity to be astonished.

DEPUTY PRESIDENT:

I do remember you saying that before.

MR WILLINGHAM:

I certainly do.

Well, okay, I'll clarify the situation. May I, with your consent, Mr Deputy President and members of the Bench, change that from an information paper to a straight-out exhibit. That's point one.

It is not headed 'without prejudice'. It is not headed 'confidential'. It is a document prepared by the Minister. It is a document which has had substantial exposure all over this State, in the media, widely. It has been published and uttered by virtually all unions and for the last 3 months and possibly more, this Bench has been regaled, if not assailed, with how horrendous and how draconian the details contained in that document actually are and how they offend the membership of the various constituent unions.

It just occurred to me, members of the Bench, that you would like to see

just what this document is and, in fact, my colleague Mr Lane said, as I handed it over - or it might have been Mr Warwick - that it would probably burst into flames it's so hot.

I just want you to see that in fact it is a relatively innocuous, not terribly well-written document, but it does get its message across.

Now, I don't intend to speak to it this morning unless it's absolutely necessary.

DEPUTY PRESIDENT:

I thought you were in full flight.

MR VINES:

Do you have spare copy of it?

MR WILLINGHAM:

I was, Mr Deputy President, I was. Yes, indeed, I have a spare copy for you Mr Vines to go with the 103 you already have.

DEPUTY PRESIDENT:

Well, we'll admit the document ... we'll admit the Exhibit W.1.

MR WILLINGHAM:

Thank you, Mr Deputy President.

Sir, can I just encapsulate the positions as I understand them from the other organisations who are parties to the awards listed in Mr Vines's schedule.

The Association of Professional Engineers quite rightly have informed you that we're due to continue discussions both this Friday and early next week in relation to their award and you've heard them today say that they believe that it's appropriate to continue discussions with us in the expectation if not the hope that they can proceed to finality and come back before the Commission with an agreed position, and the summary that Mr Pyrke put to you is one that I endorse.

The Electrical Trades Union are showing no signs of anxiety, at least not in the sense that can be measured

by this Commission. I mean they're simply not here. One assumes that if they were upset about what was taking place they would have given themselves the opportunity to put their chagrin before the Commission.

The United Fire Fighters Union put its position before the Commission on the occasion of 25 May and indicated to you that they were reasonably satisfied with what was occurring and, again, they're not before you today expressing sentiments dissimilar to what they've previously put.

The Printing and Kindred Industries Union met with us in fact yesterday afternoon while this Bench was in session, and I think it's fair to say that constructive discussions are taking place with the PKIU and the Government Printer and more are scheduled which we will be putting down hopefully a few more steps towards conclusion.

The Tasmanian Prison Officers Association, or at least one of their representatives was present yesterday and did nothing more than signal through Mr Vines their intention to lodge a special case application.

Again there was nothing from them which would indicate that they were either in a position or indeed wanted to proceed with the Prison Officers Award.

Interesting one, the Heads of Tasmanian Government organisations have not, to the best of my understanding, made an appearance thus far. And certain it is, Mr Deputy President, that neither they or the TPSA have ever discussed the Heads of Department and Principal Managers Award with me. And it's difficult to see in the context of Mr Vines's application just what we're supposed to do with that award

anyway, but I'll come to that a little later.

DEPUTY PRESIDENT:

Well, are you saying nothing's happened in relation to there being any discussions between heads of agencies and those you represent at all? Just nothing's happened.

MR WILLINGHAM:

Certainly not with me, Mr Deputy President, but as I'll go on to say a little later, it's difficult to see where the Heads of Agencies and Principal Managers Award will fit within the structures that are being proposed by Mr Vines.

Now, for the remaining employee organisations, that is those who are not parties to the applications before you as contained on Mr Vines's amended list 2399, et al, some of them have put their positions to the Commission previously and they have acknowledged and they've accepted that they will continue to negotiate, hopefully to finality, and they have similarly said that they understand that if those proceedings break down they have recourse to the Commission available to them.

And I might just make the comment, Mr Deputy President, and members of the Bench, that is precisely the same process that is being undertaken by those unions whose responsiveness to awards lies in the Federal Commission.

And could I make one final point in relation to those special cases as they are currently before you, that with the two that have been foreshadowed now we literally have a situation when more than one-third of the public sector awards applying to the Tasmanian public sector are now in the category of special cases.

And there has to come a point, and we'll address you on that in greater detail at a later stage, that you have to wonder whether the

appellation 'special' is any longer appropriate or logical.

COMMISSIONER WATLING: Those special cases, were they agreed by you in the process of the Anomalies Conference, Mr Willingham?

MR WILLINGHAM: They have been agreed only as arguable cases, Commissioner Watling. We have always taken the view before the Anomalies Conference that there shouldn't be a mechanism which prevents people from having their say and putting their case on merit. But that's certainly as far as we've gone - is to not attempt to deny people the right to put their case.

DEPUTY PRESIDENT: But don't people have the opportunity to put a case as to whether or not there is a special case at the Anomalies Conference?

MR WILLINGHAM: Yes, there is, Mr Deputy President. But if they all came at the one time in the one place, then I suppose you could take a different view. When they come in in dribs and drabs, and some of them are a bit more than dribs and drabs, and they're still coming in now, so the complete picture hasn't yet emerged, but it looks as though it will be in excess of 20 matters.

DEPUTY PRESIDENT: Yes, but what Commissioner Watling asked, and I have the same question, is, haven't those matters been screened by the process which is set up before they were declared as being special.

MR WILLINGHAM: I'm not sure what processes ...

DEPUTY PRESIDENT: Well, there is a process - I thought that you were part of it ...

MR WILLINGHAM: That's certainly ...

DEPUTY PRESIDENT: ... whereby the various employee organisations make applications to the Tasmanian Trades and Labor Council. They ask them to prepare a submission which will be presented to

the ... what's known as the Anomalies or Inequities Conference, and with the representation there, there are a number of alternatives.

It can be argued that there is no special case; it can be argued that there is a special case; it can be agreed, I think, that there is an anomaly or an inequity in need of correction and it can be done there and then; or there can be a declaration that there's an arguable case for a reference on.

All those alternatives presumably are there. But from the reference which has come to us it seems that this third that you're talking about have all been given the seal of approval as special cases.

MR WILLINGHAM: There's no doubt about that, the ...

DEPUTY PRESIDENT: And with the consent ...

MR WILLINGHAM: ... Anomalies Conference has passed ...

DEPUTY PRESIDENT: And with the consent of those you represent.

MR WILLINGHAM: Certainly. There's ... I've been quite consistent on that point, Mr Deputy President, but whilst one should not, as I understand it, as a matter of protocol go into great depth in what transpires in the Anomalies Conference, our views ...

DEPUTY PRESIDENT: Of course.

MR WILLINGHAM: ... expressed in that forum are not dissimilar from those we are expressing to you now.

We're just making those points.

DEPUTY PRESIDENT: But I thought you were making the point that, you know, it raises the question as to whether or not they are special.

MR WILLINGHAM: Yes. I'm just making exactly that point, Mr Deputy President ...

DEPUTY PRESIDENT: But you've agreed that they are ...

MR WILLINGHAM: ... that in their sum total ...

DEPUTY PRESIDENT: But you've agreed that they are special.

MR WILLINGHAM: In their sum total. I do make the point that I wonder if they are special or should be regarded as special when more than one-third of public sector awards are now in that category.

DEPUTY PRESIDENT: Well, you're in the wrong forum to argue, aren't you? It's ...

MR WILLINGHAM: It gets back to my previous submissions last September and October, that if we'd had all of the special cases before us all at the one time so that we could have seen the complete picture we may have taken a different viewpoint.

DEPUTY PRESIDENT: I can't see what difference it makes whether you have got them all together or separately.

MR WILLINGHAM: Because numerically the parts add up to a whole. And it's only when you see the whole that you know what the significance of the cost impact is and all of the implications going to it. As Mr Lane just reminds me, the Teachers' special case, for instance, is probably worth more than all of the others put together.

MR LANE: I didn't remind you of that

MR WILLINGHAM: Oh, sorry, I thought that's what you were saying. It's so difficult to pick up these asides.

Mr Deputy President, if I could turn to a subject that Mr Vines raised at some length, which was the turn of negotiations, and what has transpired in those negotiations since the Bench

issued the order on the Minister on 25 May.

I stand to be corrected on some of the finer details, but my clear impression is that since that time, the Tasmanian Trades and Labor Council has taken over the coordinating and principal negotiating role in relation to discussions with the government on behalf of public sector unions with the exception (I see Mr Lane reaching forward) of the Tasmanian Teachers Federation, who have declared themselves to be operating independently and therefore outside of the aegis of the Tasmanian Trades and Labor Council.

And the discussions that have taken place with the government's negotiating representatives since 25 May have all been on that basis. They have included quite a wide cross-section of public sector union representatives individually, as well as being part of the total negotiating team on behalf of the Trades and Labour Council.

Now, the most recent negotiating session was in fact as Mr Vines has already indicated to you, last Tuesday, and tentative arrangements had been made for a follow-up to that for Monday of next week. It may have been possible to have done it this morning but other events have taken us away.

DEPUTY PRESIDENT:

I'm sorry about that.

MR WILLINGHAM:

I'm not, Mr Deputy President.

The discussions from Tuesday of last week were left on the basis that quite a number of people expressed individually, and I think collectively, that they were reasonably satisfied that a change in emphasis seemed to be emerging.

Mr Vines has already put those words to you. He said that he saw some constructive points coming from those meetings. He indicated to you that some issues had been deleted from the list. He said that a number of issues upon which the government had previously been rather steadfast, they seemed to be approaching a more moderate or different viewpoint.

Other organisations may have expressed it different ways but the general feeling I got as a participant in those meetings was that people didn't leave it - the meeting, that is - upset. In fact they seemed to be quite the reverse impression.

It was also left on the basis, Mr Deputy President and members of the Bench, that a number of things would be done, not the least of which was to arrange a further meeting. One of those things was that in some areas of previous dispute between us where a greater degree of understanding had been reached, the parties would return, at the next meeting, providing positional papers on just where they stood as a result of those discussions, and there are quite a number of those due to be tabled at the next set of negotiations from both sides.

DEPUTY PRESIDENT:

Yet Mr Vines has indicated that his organisation, only yesterday, wrote a letter to the head of the Premier's Department (I stand corrected), arguably demanding a definite response to a number of matters.

MR WILLINGHAM:

Well, I understood Mr Vines - in fact I'm quite sure Mr Vines said this morning, Mr Deputy President, he wrote the letter to the Secretary of the Department of Premier and Cabinet and I think he acknowledged that the letter hadn't gone until this morning and with that sort of time frame it was unlikely he would have got a reply.

DEPUTY PRESIDENT: Yes. I was just wondering how that sort of approach sits with what you're saying about everybody being reasonably happy about the way things are going along and negotiations are continuing.

MR WILLINGHAM: Well, reasonable happiness of course is a state of mind. I mean, when I see people going out smiling and talking and agreeing that they will provide positional papers, agreeing that the process of negotiation will continue, agreeing those things that still need to be fleshed out, those things which are virtually in the bag - I assume that people are reasonably content, Mr Deputy President, but others speak for themselves.

DEPUTY PRESIDENT: You don't want to always take too literally a smile on somebody's face.

COMMISSIONER WATLING: They might be punch-drunk.

MR WILLINGHAM: Well, they might be, Mr Commissioner Watling. For the first time that I can ever recall we actually outnumbered them last time and perhaps that's what happened.

DEPUTY PRESIDENT: Were they walking on their heels?

MR WILLINGHAM: Just because they were outnumbered, it was only numerical. It wasn't in terms of quality, I can assure you.

But that was the situation. I stand to be corrected on the fine details as I said, Mr Deputy President, but that's my clear understanding and, indeed, it's the same understanding I have with the Teachers Federation.

We met with them, literally only a couple of days ago and our weekly meeting with the teaching unions is scheduled again for next Monday, although if this goes on much longer that might have to be pulled off.

DEPUTY PRESIDENT: If what, if this hearing goes on it might interfere with you getting on with the business?

MR WILLINGHAM: Well, I don't know. It's the point I'm coming to, Mr Deputy President, in fact.

DEPUTY PRESIDENT: It's a serious question.

MR WILLINGHAM: It's a serious answer I hope I'm going to be able to give you. Whether the teaching unions particularly, and any other union that seeks these interim or finalised structural efficiency increases is here before you seeking them, what's left to do in negotiations?

DEPUTY PRESIDENT: From what I read in the papers the Teachers matter is well down the track, isn't it? Hasn't it been coordinated nationally?

.... ministers.

MR WILLINGHAM: I can't speak for what the ministers are doing - that is the national ministers for education.

DEPUTY PRESIDENT: The State ministers for education were involved.

MR WILLINGHAM: Well, our particular Minister wasn't there personally, our Minister for Education, but his representative was, yes.

DEPUTY PRESIDENT: Was that you?

MR WILLINGHAM: No, certainly not.

DEPUTY PRESIDENT: Oh, what a pity.

MR WILLINGHAM: get involved with these teaching matters. In fact, they wish I

No, the impression I gained, and indeed the words that fell from Mr Lane on 25 May indicated to you that whilst he had some difficulties with the demands that the government was placing upon his organisation, he conceded - and it is on the

transcript - that quite substantial progress had been made in a number of areas. He conceded that.

In between all the bits and pieces where he was condemning us and criticising us, he did actually say those words. And so did Ms Moran, on behalf of the SCSA.

DEPUTY PRESIDENT:

But hasn't a figure even been arrived at in relation to I think a 4-year-trained teacher? I'm not sure whether it's at entrance, or after a few years of practical work with that qualification.

MR WILLINGHAM:

There are a number of figures that I have seen, Mr Deputy President. One is 37,200, which is now being labelled the 'Dawkins figure'. There is the so-called 'Queensland figure', which is a thousand or so dollars ... a thousand and a couple of hundred dollars higher than that.

DEPUTY PRESIDENT:

But isn't the Dawkins figure the ministers for education, state and federal?

MR WILLINGHAM:

The Dawkins figure has not - as I have been monitoring the situation - yet been conceded by the Tasmanian Minister for Education, or indeed, the Tasmanian Government.

DEPUTY PRESIDENT:

I see.

MR WILLINGHAM:

That is a fluid situation, Mr Deputy President. I would have to recheck it ...

DEPUTY PRESIDENT:

But the rest of Australia, then ... well, it would be unfair to ask you whether the rest of Australia has arrived at the same ... at that figure.

MR WILLINGHAM:

I would answer as best I can for you. My understanding is that Queensland reserved its rights to argue differently from the Dawkins model.

DEPUTY PRESIDENT:

More?

MR WILLINGHAM:

It just reserved its rights. I'm not sure what it was reserving them for. And indeed, Mr Deputy President, one would need to have before them the statement from the Dawkins education summit and read the caveats and the corollaries and the 'Sir Humphrey bureaucratese' that is contained in the wording to find out just what it is that people have committed themselves to.

It is not quite as clear-cut as it is being portrayed, I fancy. But from the Tasmanian Government's point of view ...

DEPUTY PRESIDENT:

Well, you are not going to blame the press, are you, for misreporting?

MR WILLINGHAM:

No, I blame the Tasmanian Teachers Federation for the misreporting. I don't blame the press. I saw him talking last night on television, as I'm sure you did, and that's one he cannot blame the press for, because what he said was what he said - unless they have got a trick way of editing the footage. And I don't think the representatives of the media would do that sort of thing. I never accuse them of it.

DEPUTY PRESIDENT:

You are not frightened of them, are you?

MR WILLINGHAM:

Yes, yes. Bad press for me is bad news for my Minister the next morning, Mr Deputy President, and that's why I'm worried about it.

So that's where we finished. Now, overwhelmingly, the position is that all around the State Service award area discussions are continuing, negotiations are continuing.

And I just take a point that fell from Mr Vines yesterday. I think I understood him to say that his officers had done a counter of the number of negotiating sessions they've been involved with in recent

times and he said the number was, curiously enough, 50.

Now, unless I misunderstood the thrust of what he was saying, who has he been having these 50 negotiating sessions with? I mean, one assumes, if I got the thrust of what he was saying right, they're with the government's negotiators, and yet Mr Vines keeps telling you that we won't talk to him.

DEPUTY PRESIDENT:

Well, as I understood what he said, certainly he'd had a lot of negotiating sessions but he hadn't been able to get any answers.

MR WILLINGHAM:

That's an entirely different feature and I'll deal with that ...

It's the difference between the qualitative comments being made and the quantitative comments being made. I'm just trying to establish what is happening, or at least give you our viewpoint of what is happening. And Mr Vines says, 'No-one will talk to us'. And in another breath he says, 'Well, you're talking to us but nothing is happening'.

Well, I want to be sure that the impression that is left with the Bench is one that I believe is accurate.

COMMISSIONER GOZZI:

Mr Willingham, I'm concerned to the extent that the restructuring proposals for the awards in question have been with the government for some considerable time.

MR WILLINGHAM:

I'm sorry, Mr Commissioner ...

COMMISSIONER GOZZI:

Have been with the government for some considerable time. In fact, we've been told that the proposals have been put to Cabinet and Cabinet has yet not made a decision on whether or not to endorse, in principle, the proposals or not.

Now, how much longer is it going to take, in respect to that fundamental issue, to get a definitive answer from the Minister?

MR WILLINGHAM:

Well, I was again going to come to that point and I'm glad you've raised it.

The fact is, as we told the Bench on 25 May, a proposal was before Cabinet in respect of the Clerical Employees, Office Assistants and Keyboard Awards.

COMMISSIONER GOZZI:

When was that?

MR WILLINGHAM:

It was ... well, we told you on 25 May so it was ... I'm not sure the date it went to Cabinet, Mr Commissioner.

Events post-25 May have basically overtaken that. The issues are now being discussed on a wider front. I'm not sure that the Cabinet decision per se will ever be made now because events have overtaken us.

Mr Vines has been successful, through the Commission and outside of the Commission, in bringing to the attention of the government all of the matters on his particular agenda. And they are being dealt with. They are being dealt with in these negotiating sessions to which I've earlier referred and to which Mr Vines has already referred.

I couldn't be now absolutely confident that, in fact, the submission as such has life any longer because it has been overtaken with dealing with things across a public sector-wide perspective.

DEPUTY PRESIDENT:

But didn't you understand that from previous hearings that the Commission required a number of things? That it required the parties to put their agenda items on the table and to formulate a position in relation to each of those matters and to report

back to the Commission by the 12th, which was yesterday, and be in a position to argue the merit of their respective cases.

MR WILLINGHAM:

Yes, indeed, Mr Deputy President.

DEPUTY PRESIDENT:

And are you in a position to be able to do that?

MR WILLINGHAM:

To argue the merit of our respective case?

DEPUTY PRESIDENT:

Yes.

MR WILLINGHAM:

Oh, absolutely. Absolutely. But again, I just want to come back to these negotiating sessions we've had because Mr Commissioner Gozzi, and I'm sure the rest of the Bench, will want to know the discussions have centred around what the government wants in return for the 6% worth of increases and what the union representatives believe is appropriate for the 6%.

Now, there's been a clear divergence of views. And all of the time that we've had these quite extensive negotiating sessions the second step, that is, what structures we might ultimately agree to, simply hasn't been discussed or, if it has, hasn't been discussed in my presence.

The issue has been straightforward bartering. What do we get in exchange for the 6%? Combing through, what I think you numbered as W.1, Mr Deputy President, and finding out how much agreement, if any, we were going to be able to reach in order to come before this Commission in a consent position for the second instalment of the 3%, and other matters which might flow from it.

Now, we haven't got past that barrier yet.

COMMISSIONER WATLING:

Can I just ask you, Mr Willingham, W.1, does that represent the list you drew up at the end of the last

hearing when we requested the parties to draw up a list of matters to be discussed? Does W.1 represent that list?

MR WILLINGHAM:

Yes, in broad terms, Mr Commissioner Gozzi ...

COMMISSIONER WATLING:

I think we said that the parties had to have it by 25 May.

MR WILLINGHAM:

It was first presented, I think, from memory, on 23 May, Commissioner Watling. And there have been some subsequent amendments to it. In fact I think that's probably the fourth or fifth version. Some of the amendments went to refining the wording and making it more easy to understand.

COMMISSIONER WATLING:

Right. So could I look at that and say, look, that's really the document that arose out of the last day of sitting of this particular Bench on this matter?

MR WILLINGHAM:

Yes, save for the fact that in some areas, they are probably not applicable to 2399. In some areas, of course, there are wider agendas that are more specific to a department or its operations. But in relation to 2399, that is the document that came as a result of your order.

COMMISSIONER WATLING:

Right, good.

COMMISSIONER GOZZI:

I see the fundamental hold-up to the whole exercise being the reluctance, for whatever reason, by the government to commit to the structural proposals put before it by the TPSA, and which have general broad agreement by other employee organisations in this hearing.

It seems to me that we are being asked, because of the government's reluctance to endorse that structure, to award a 3% across-the-board pay increase to galvanise the government into some action to pursue the other

initiatives that have been identified in W.1, which the TPSA see incidental to the structure and which the government see as a precursor to doing other things. It seems to me we are at that particular situation.

MR WILLINGHAM:

Yes, you correctly put our position, Commissioner Gozzi. That hasn't changed since August-September of last year. Mr Vines's submission I think you have also accurately portrayed, although that's an innovation that I really first heard for the first time yesterday, or maybe even this morning.

COMMISSIONER GOZZI:

Yes, and taking those two scenarios, how much longer would it take for the government - and that's why I asked the question - to commit one way or the other to the structure. I mean, Mr Vines has gone to some lengths to indicate to the Bench that he would prefer an agreed position to be put before the Commission.

MR WILLINGHAM:

It's a difficult question to answer, and I'll try to give you as honest an answer as I can, Commissioner Gozzi. The concept of what Mr Vines has put is unusual. When I say 'unusual', I am not being critical, I am just saying it's unusual.

I mean, my first instinct was to say, well, perhaps this is a rather clever stratagem to put pressure on getting the 3% and turn all of the real issues of concern of the government over to the next backburner basket.

But I've read carefully what he has written this morning, and it is perhaps possible that that is a matter I should take instructions on. I wouldn't want to dismiss it lightly or dismiss it at all without giving my principals the option of having a look at what Mr Vines is asking. And I think they would be interested to hear from him personally just what it is he is seeking.

I mean, clearly the government wants its 'ongoing' as well as its 'now' value for its dollars. I mean, that has always been our position. But we have always recognised that some of our value is going to be down the track, and we have said, particularly in relation to special cases and increases in excess of the 6%, that they should be timed roughly to coincide when we get our value for it.

So, yes, I would like to take that concept back. It's a pity I don't have an answer I can give you on that one. But, yes, there might be some value in discussing that.

COMMISSIONER GOZZI:

I mean, I can say that from my point of view I am not interested in a protracted hearing on these particular threshold issues. As far as I am concerned, we should get down to the fundamentals of restructuring the awards and the other, if you like, shopping list that the government has in respect of accepting or not accepting that particular structure.

But I am not attracted to going around in circles about how we progress this matter because at the end of the day the Commission can arbitrate on it and ...

MR WILLINGHAM:

Oh, Mr Commissioner Gozzi, look, we couldn't agree with you more. Can I just give you some examples from the ... this is why I'm a little surprised to find that we are almost in the arbitral mode. For instance, one of the sticking points, of which you would be very well aware, because I think you served on the original Full Bench, has been the question of higher duties allowances and at what period they should come in.

We have consistently said all the way through, higher duties allowances, we have got to have that delivered to us now. Mr Vines came up with a

proposal, as did Mr Warwick: 'Okay, look, let's talk about the principle of when the higher duty allowance goes. You are not suggesting that it should go in respect of the current award structures?'

But Mr Vines made some significant concessions in relation to what his position might be once the new structure was installed. And that was the first time we had really had that sort of meaningful discussion, although I concede that Mr Vines has maintained that position all through.

Now, it is that sort of shift of emphasis that took place last Tuesday, and the next set of meetings is supposed to follow through. So it may be that that's another issue that goes to bed, Commissioner Gozzi.

And I was encouraged by some of Mr Vines's comments yesterday and today that he saw similarly that a number of those issues had some of the sting out of them. But nevertheless, we are currently before you ready to argue the matters on merit. I don't know where that leaves us.

I am just wondering why we were spending so much time getting positions and strategies and discussions and negotiating positions and what have you together and spending all the time we did together when we are in this situation now. But if that's the way it has to be, we're ready to roll.

DEPUTY PRESIDENT:

Mr Willingham, before any of us decide what is the preferred method to go, I think we need to analyse how long these various processes will take; timing I think is critical.

You know, on the one hand, as I see it, the TPSA and no doubt other unions have indicated that if they could negotiate their way through all of these matters and they could be satisfactorily progressed, then that

is a way that they wouldn't be opposed to. But on the other hand they've said that if that process is not going to produce the sorts of results at least they expect, rightly or wrongly, then they would ask the Commission to arbitrate.

Now, if the Commission is to arbitrate on every single item, then obviously it's going to take a long, long time and that would be obviously a situation which would create pressures. I guess there are some sort of expectancies within the employee ranks obviously for when they have, if you like, earned an entitlement to a further wage increase under the structural efficiency principle.

I guess the middle ground would be that if sufficient progress can be made on the philosophy of what is being attempted and then sufficient is in place to warrant a variation of awards, and I think you've conceded that there would be a residue which would have to be committed to the future, then that probably would be the ideal situation. But it's a question of if and when that point can be reached if the present negotiating conferences with sometimes the same and other times different groups continues.

Are you able to indicate to us whether or not the general philosophy of what is being put forward and the general skeleton, if you like, is consistent with the government view, or whether or not what is being proposed broadly and generally is going to require a lot of work to put it at its mildest?

MR WILLINGHAM:

Well, so that I can assist the Commission, but not prejudice my Minister's future position - and these are volatile and indeed fluid negotiating platforms - my personal view, and I've expressed it many times to Mr Vines and I've expressed

it in principle to this Commission - is that in respect, for instance, if the Clerical Employees Award and the Operational Services Award and, to a lesser extent, the Professional Award proposals that Mr Vines has put forward, I'm personally not very far apart from him.

He knows that I had some different ideas about the number of levels but they were at the margins. Most of the hard work is not, Mr Deputy President, in establishing what looks to be an ideal structure. All of the hard ... that's the easy bit. The hard work comes with how you actually put it into place and get people into it and get it working in the way that it was designed.

Indeed, actually designing what it is you're trying to achieve and working that out isn't easy. Anyone can just take a number of levels in an award and compress them and say that's you-beaut. Just drop it from there.

So Mr Vines oughtn't to have fears that we're just going to pay the 3%, which is really 6%, for nothing and just forget about it, because if that was going to be our position we'd be resisting paying the 3%, then we'd say forget about award restructuring. We wouldn't pay him his 3% first.

DEPUTY PRESIDENT:

Is the government's position one which ... in which it expects that wage increases for the 6% will be cost neutral?

MR WILLINGHAM:

No, we haven't said that. We've said outcome is neutral which I think means, Mr Deputy President, and I get lost in the buzz words nowadays, but I think it means that we recognise that a great many of the savings that we're looking for will be by, shall I say, productivity - enhanced productivity, enhanced efficiency - as distinct from some trade-offs, but we are not and we will not back away from our position that we are

entitled under the terms of the National Wage case and subsequently the State Wage Case, we have an absolute entitlement to seek to put conditions of employment on the table.

Now, some may call those negative cost-cutting measures and some may not. Ultimately it may be for you gentlemen at the Bench to decide who is right and who is wrong an absolute entitlement to put conditions of employment on the table, and we have.

DEPUTY PRESIDENT:

I'm not sure that you've answered the question as to whether or not you are expecting the wage increase to be entirely offset.

MR WILLINGHAM:

The wage increases ... we are saying, or we have been saying, we want our 6%'s worth of offsets (if I can use that term loosely) in return for your second instalment of 3%, on the basis that we gave you 3% in advance, now you want the second 3% - where's our value?

Now, people have been saying, particularly Mr Vines has been saying, virtually all of your value will come when the new awards are in place, when the training and skills acquisition starts, when the broadbanding comes, when the multiskilling starts, and all of those things, and he may, in fact, be right. It's just that we have never got past talking about words like multiskilling, and words like productivity, and words like efficiency, without anyone having a serious attempt to get down and say, 'Okay, what do you mean by productivity? What do you mean in your new Class IV in the clerical employees' proposal? Where does that give me more than what I have now, and for which you are asking a lot more money?'

DEPUTY PRESIDENT:

Sticking to my question ...

MR WILLINGHAM: Yes. I am trying to give you some answers to it.

DEPUTY PRESIDENT: Are you saying that you do require at least as much as possible of any wage increase to be offset by productivity increases at the same time as the wage increases, or not?

MR WILLINGHAM: No, no, we have said ... I hope I am making this clear, Mr Deputy President, the 6% - that's the 3% which has been paid and the 3% which is being sought - we want our value for that at the time the 3% is paid.

DEPUTY PRESIDENT: Does that mean that you want it cost neutral?

MR WILLINGHAM: Well, having been through the second-tier exercise, I recognise that sometimes productivity and efficiency measures can't be clearly defined as cost neutral. But, as close as possible, yes, I guess that's what we are saying.

COMMISSIONER GOZZI: I mean, certainly that was said in the first instalment hearing by Mr Challen who appeared on behalf of the Department of Finance. I mean, there can be no doubt that the second instalment, having regard to his sworn evidence, wasn't budgeted for on the basis that it should be cost neutral.

I mean, that's certainly the evidence presented by him at that time and, I dare say, the State's financial situation is adding to the tardiness of the government coming to any position as far as the structure is concerned.

And what I am saying to you is that having regard to Mr Challen's evidence in the first round, and knowing full well what the decision was in that first 3% matter, it was also indicated that if needs be the wage increase for the second

instalment can come from the Treasurer's Reserve.

So, whilst the financial situation is precarious for the State, so we are told, I don't see how that can now impinge on the government not giving an answer to the position put forward by the TPSA, because those facts were exposed and canvassed very thoroughly when the first 3% was in fact awarded.

MR WILLINGHAM:

Well, I don't accept the proposition I thought I heard fall from you, Mr Commissioner Gozzi, that you thought the - as you expressed - the tardiness in the government coming up with a response was due to the State's fiscal position.

COMMISSIONER GOZZI:

I'm saying that's the way that I read it.

MR WILLINGHAM:

Okay, well, can I just tell you ...

COMMISSIONER GOZZI:

Because the proposal has been put before Cabinet some time ago, and we've also been told that the actual structure, per se, has been around for a lot longer than 25 May, or whenever it was, when it went to Cabinet.

MR WILLINGHAM:

The structure, Commissioner Gozzi, as an aside, has appeared before you in other matters, it's been around a long time.

Can I just say, there is no secret about the government's finances, and the most acute - certainly the worst budgetary situation that's faced any Tasmanian Government ever - no-one's made any secret of that.

You heard Mr Vines say yesterday, that so incredulous was he that he took the quite unique step of commissioning his own report, expert report, to find out whether we were telling falsies or whether we were telling the truth.

In fact, his own report suggested, as I briefly read it, that perhaps the government might have even marginally understated the severity of the situation.

So there is no question that that situation has put the government in the position where it has been saying to anyone, 'If you want to take dollars from us by way of wage increases, the situation is such and we've spent enough time telling you what it is, that we want value for our dollar. We want to see up front what's due to us and what should be coming to us.'

And we don't walk away from that situation. Everyone in Tasmania would know that position.

Now, it answers again, and I'd like to go back to Mr Deputy President Robinson's question, if we can't have our 6% now, we at least want to be able to see that at a given point in time the benefit of that will emerge, like, for instance, the higher duties allowances. If we wrote that off now and said we can't have it until the restructured award is in place and people are working on it, at least we would know at a given point in time that, from our point of view, HDAs would disappear, or whatever the agreement was.

At least that's something, but at the moment what divides us is that the TPSA in particular is just saying, 'Trust us, trust us, our bona fides are not in question, we'll deliver, we'll cooperate, we'll be positive. This set of structures we put up before you is all things to all people. We'll more than deliver 6% but we haven't been able to identify when, where or how.'

COMMISSIONER GOZZI:

This is what I mean, personally, about not being interested in a protracted proceedings. I mean, to me it's quite simple: when we handed

down our decision in the first part of this exercise we identified an agenda, W.6 as it's become known (your document Mr Willingham), we said to the parties, 'Go away and negotiate on that; where you can't agree, come back and we'll determine it.' Simple.

All that seems to be required to progress this matter is either the Commission awarding a 3% second instalment to galvanise the situation to some finality or giving you some further time to come forward with an agreed position, in which case I dare say at the end of the day we'll still be arbitrating on issues in W.1 at some stage.

I mean, you might agree it ... I mean, I don't see that an ongoing talking situation is really going to harden up a position whereby some finality can be reached in a reasonable period of time unless we grasp the nettle.

MR WILLINGHAM:

I'm not disinclined to agree with you. It was exactly the position we put to the Bench last September. We said, 'If you grant this 3% increase without tying the unions down to commitments, we'll face the same battle come May' and that's exactly what's happened and, to be fair, no-one's signalled an intention that was different from that.

I say one thing for the TPSA, if nothing else they're totally consistent. But all we did was defer the battle for 6 months.

So you may be right, Commissioner Gozzi, perhaps the Commission does have to grasp the nettle but I'd have to say this, that if the Commission is not disposed to find favour with the arguments I've put thus far, we'll certainly want to be making major submissions to you when we've heard all of Mr Vines's arguments about whether the Commission should

consider it appropriate to deal with these matters on an across-the-board basis or whether it should in fact adhere to what I think is commonly accepted: the appropriate process of award-by-award examination for the second instalment of the structural efficiency principle.

And I didn't intend to go into major submissions on that at this stage. I don't think it's appropriate but I'll signal that will be very clearly part of our major submission.

DEPUTY PRESIDENT:

It's always been a problem hasn't it, Mr Willingham, I think you'll agree, whether or not there ought to be some sort of grouping of Public Service awards which may have fundamentally the same types of structures or whether or not they can appropriately be dealt with individually, and the Commission has, of course, in the past, dealt with other national wage-type matters on the basis of trying to see how efficiently you can deal with the claim or claims and dispose of them without us all getting bogged down over a lengthy period of time.

MR WILLINGHAM:

Yes, I understand how it may be a problem for some, Mr Deputy President, but I noticed, doing some research, your reference in, I think it was last March or possibly last October's decision, where you said that dealing with matters on an award-by-award basis doesn't necessarily mean that you automatically have different operative dates.

I mean, if operative date or a consistent break from the starting line is all-important to everyone, you get this situation where people don't want to be left a couple of weeks behind another organisation and that's why we're starting to accept as the norm a great basket of awards to be varied without any testing and without any examination as to relevance in the individual

enterprises in which they operate, then I think it's wrong and I'll continue to say so.

I mean, I don't want to go into great detail because too much of my submission should be waiting for later but let's have a look, for instance, at some of the awards that are on Mr Vines's application. Let's take the Librarians and Archivists Award. The ink is scarcely dry on the decision in what was the most extensive and exhaustive review of the Librarians Award in fact which was put by Mr Vines himself.

Now, what application do any of Mr Vines's proposals have in relation to that award right now when all parties suggested that what we put before Commissioner Gozzi was just about as good as we could get it.

DEPUTY PRESIDENT:

Are you saying that every award has got to be deemed to be requiring the same sort of close examination and, if you like, even work valued before it can qualify and that we shouldn't recognise that some awards may have already undergone such an extensive exercise that they probably already have done the hard work and they oughtn't be penalised for it?

MR WILLINGHAM:

That might well be the case that the hard work has been done, Mr Deputy President, but this sort of application shouldn't prevent proper examination of each of those individual awards to make sure that that is the case.

I'd be the last person, for instance, to argue that a lot of the hard work has not been done in librarians. What I am questioning is the application of 2399 to the Librarians Award without that examination, without that testing.

DEPUTY PRESIDENT:

I thought you were saying it has just already been through an exhaustive examination.

MR WILLINGHAM:

It certainly has, it certainly has. And if one looks at the last couple of pages of Commissioner Gozzi's decision in that matter, he makes reference to some of the things he anticipated might get asked as questions when structural efficiency came along. And we will wait to provide you with the answers, Mr Commissioner Gozzi.

May I take another example: the Tourism Tasmania Award. I am sorry to pick on you, Commissioner Gozzi, but I think that might have been another one of yours.

Only a couple of years ago that was brought down by all of the parties on the basis that it provided the most flexible, efficient, multi-skilled basis for operating Tourism Tasmania on the basis that the circumstances were unique and the Commission should pick it up. And it in fact incorporated some quite wide-ranging and quite dramatic changes.

DEPUTY PRESIDENT:

Even though part of it was appealed.

MR WILLINGHAM:

Part of it was appealed, yes, unsuccessfully or successfully, Mr Deputy President?

DEPUTY PRESIDENT:

No comment.

MR WILLINGHAM:

I'm not sure, I can't recall. However, what we are saying is that that award should be examined. Is what Mr Vines is offering relevant to that award, or should that award stand? At least the question ought to be asked.

Can I raise another point with you in relation to some of these awards that Mr Vines has listed here? A number of them could be considered derivative awards. A number of them will pick up scales or parts of

scales that come from the so-called parent awards.

If those parent awards are subject to special cases, as for instance the clerical employees and the keyboards and office assistants, what will Mr Vines do when he seeks to increase the scales in the derivative awards by the amounts which the special case outcomes may increase by? We will need more special cases just to get the derivative awards out of the way.

DEPUTY PRESIDENT:

Could I suggest that we are here fundamentally not just to - and I'm not having a go at you - but not only to identify as many problems as we can, but we are here to find solutions and to find them as quickly as possible.

MR WILLINGHAM:

Mr Deputy President, you have been very patient, as indeed your colleagues have, in listening to a number of organisations tell you what their problems are with the government. I would hope that you would at least cede to me enough opportunity to tell you what some of the problems are that we have. And some of those haven't been put.

DEPUTY PRESIDENT:

Well, I'll be looking to you, with all of your experience, also to suggest some solutions.

MR WILLINGHAM:

But I haven't finished telling you what all the problems are yet.

DEPUTY PRESIDENT:

Oh.

COMMISSIONER WATLING:

Well, Mr Willingham, I'm sure you'll tell us what the problems are in due course, but I have just got a bit of a dilemma here.

I have got these things going around in my mind where we have the TPSA saying 'Look, we haven't been able to finalise negotiations with the government; we don't want the Commission to arbitrate on anything; we want to continue our negotiations,

but we just want 3%, and hopefully the 3% will stir the government into action'.

Now we have you saying, 'Well, our preferred position is that we would rather negotiate with the union and continue on negotiations'. Indeed, there was an inference that this very hearing was holding up negotiations.

MR WILLINGHAM:

Yes, can I just intercede, Commissioner, and say that wasn't intended to be an inference that you took. I was just saying that indeed ...

COMMISSIONER WATLING:

You were being direct: it 'is' holding up.

MR WILLINGHAM:

At one stage, had not today's hearing gone on, we were tentatively scheduled to meet this morning. It was not an inference that this hearing was holding it up.

COMMISSIONER WATLING:

Right. Well, it seems that you want negotiations to continue; the TPSA want negotiations to continue; neither side want arbitration on any of the issues before us apart from awarding, from the TPSA's point of view, 3%.

How long do you think these negotiations will take to finalise, if you were to put all your efforts into finalising the negotiations and coming back to the Commission with a final position on things like structures, and for some of these other issues that you have been talking about?

MR WILLINGHAM:

Well, in terms of the structures, Commissioner Watling, I assume we'd just be talking about the 'in principle' structures, not most of the yakka that goes with them.

COMMISSIONER WATLING:

No, well, I think you've got to look at the structure and the consequences that any new structure will have. Like, one would be rather stupid not

looking at what the consequences might be down the line. But, nevertheless, you are not going to resolve all the issues in day one.

How long do you think it will be before the parties could get together to finalise some of the outstanding issues, including the 'in principle' structure?

MR WILLINGHAM:

Yes, just so that I ... this is an important question, I will try to give you an answer.

I mean, my idea of an 'in principle' structure is that ... let's say it is Mr Vines's proposal for how ever many they are, that's one part of the 'in principle'.

COMMISSIONER WATLING:

Well, give me an answer on just that part then.

MR WILLINGHAM:

Oh, well, it is linked with agreement being reached on a number of other areas.

My impression would have been that we weren't more than a couple of weeks or so away from it, as we were prior to coming back here. But that's an impression. It's an impression.

COMMISSIONER WATLING:

Mr Vines, how long do you think you'd take to finalise these negotiations? And keeping in mind that your preferred position is that you want to negotiate; you've given us an indication of a letter that you've sent to the government today. How much time do you think you need?

MR VINES:

It very much depends on the attitude the government takes, I think, Mr Commissioner. From our point of view, we have said all along we want the quickest possible resolution to this, and let me give you an example, because Mr Willingham has been talking about the Cabinet consideration of this, and talking about in terms of May.

I have in front of me notes of a meeting of 13 March 1990 where Mr Finley, who is one of the A-team, said to us back on 13 March 1990 that the restructuring proposals would have gone to Cabinet today but told to stop the proposal going to agencies.

Now, that was back in March (what's that, 4-months ago) 4 months to the day, and we still haven't got a response out of them.

So it depends. If the Commission says to them, 'Well, look, you are going to come back here in 2 weeks or else we give you ... we are going to grant the PSA's four-stream proposal', I dare say they will find the time to meet with us, but not only meet, give us some answers as well.

If there isn't some strong proposal, well, this is just going to go on for years, and that's precisely why we came to the Commission a fortnight ago to ...

COMMISSIONER WATLING:

Well, just give us an indication of ... if we didn't come back today, or yesterday, to hear the matter, how long do you think it would have taken your organisation to finally get to the stage where it said to the government 'Enough is enough. We are now taking these things back to the Commission to arbitrate on this, this, this and this point.' How long do you think it would have taken you?

MR VINES:

Well, we are basically at that now, I think, sir.

If ... it is very much ... if the government's attitude changed, if the government said, 'Right, we are committed to award restructuring, we want to get this thing fixed up, all of it done, all of it agreed, so we can go to the Commission', I don't believe it would take any more than a week to ten days, because I would be

putting the resources of my organisation into it, and if the government was matching that and if they were prepared to make decisions quickly on issues as we have been, no more than a week to ten days.

Realistically, though, I would say that if there isn't pressure on the government to do something about it, we will be sitting around for another 6 months, or potentially - obviously I won't - but the potential is for 6 months, because we just can't get answers.

As we've said, there has been lots and lots of meetings, but there just aren't any answers.

COMMISSIONER WATLING: Yes. Can you appreciate the dilemma the Bench is in as well, in that both sides are asking us not to arbitrate on anything?

MR VINES: No, well, that's ...

COMMISSIONER WATLING: Except at this stage, anyway, the indication is, really, and I've interpreted Mr Willingham's conversation thus far, to the extent that he is saying to us that, you know, whilst he is prepared to go to arbitration, nevertheless, it doesn't seem to be his preferred position. It doesn't seem to be your preferred position either.

MR VINES: No, it is not a preferred position, but in relation to whether what we've put up in relation to the payment of the second 3%, I am happy to have that arbitrated. For the Commission to decide whether, yes, that is worth it, or, no, it is not. I don't have any difficulty with that at all.

It's not my preferred position. But I'm here today in the preparedness to say, 'Yes, we want you to arbitrate'.

COMMISSIONER WATLING: Yes, but, in essence, what you are saying to us is, 'Look, we've started negotiations, we've gone along a

certain path, we feel the government are delaying it [they may well be for all sorts of reasons] but because they are delaying it we don't want you to do anything on structures or any of the things we are talking about, we just want you to give 3% for penalty for not discussing it'.

MR VINES:

No, it's not a matter of saying give them 3% as penalty for not discussing it, it's a matter of giving 3% in recognition of what we have put up already as what we see as productivity and efficiency improvements in the State Service.

And as a second bonus, if you like, we would hope that that 3% would then encourage the government to sit down and talk more constructively with an objective of finalising it.

They're talking with us at the moment but there is no objective of finalising the whole thing. For example, ...

COMMISSIONER WATLING:

So what you've put up thus far in terms of the economy and the 8% cut and a number of those other things, you told me yesterday that you didn't want us to make any sort of decision on the structure. Right?

MR VINES:

No ...

COMMISSIONER WATLING:

So we must exclude the structure from any of your requests.

MR VINES:

No, sir, what ... I don't think I've said I don't want you to. What I've said is that to do award restructuring properly it has to be done by cooperation between the parties involved. It's not something that can be put on by high or thrust upon us by high.

COMMISSIONER WATLING:

Right. Well, if you take that ...

MR VINES:

But if we can't ...

COMMISSIONER WATLING: I'm just trying to hone in on this because I have to tell you I'm not convinced at all that we have some clear message - the Bench hasn't got a clear message - and I want to find out, even in point form, what are you saying to us that you've done thus far to warrant the 3%?

MR VINES: Well, that's what I went through yesterday, Mr Commissioner. I can go through ...

COMMISSIONER WATLING: Yes, I know. But you have told us not to make any ruling on the structure so we must count the structure out.

MR VINES: No.

COMMISSIONER WATLING: You haven't done that thus far?

MR VINES: That's not correct, sir. I haven't told you not to make any ruling on the structure. What I've said to ...

COMMISSIONER WATLING: You don't want us to arbitrate the matter.

MR VINES: That is not true, Mr Commissioner. What I've said to you, and I've said it several times again this morning, is that that is not our preferred option but it is an option that we are prepared to go along with.

Our preferred option is to come to an agreed position by cooperation. If that's not possible that we would see that it's ... we would then be coming to the Commission to arbitrate.

COMMISSIONER WATLING: Well, it is true, Mr Vines, that at this stage your preferred position is for us not to do anything with the structure. That's your preferred position.

MR VINES: Well, no, I don't know that that is true. It is only my preferred position unless there is something the Commission can do to get the government to negotiate constructively.

COMMISSIONER WATLING: Right, how much time do you want to discuss matters with the government before you get us to arbitrate the issues? Because this is a bit like the ...

MR VINES: No. Sorry, sir. No time at all if the Commission just says, 'All right, go away and discuss it and come back when you are ready'. That would be wasting our time. If the Commission is giving a bit more incentive for the government to sit down and finalise this, I would say a week to 10 days.

COMMISSIONER WATLING: Say you go away and you're still arguing about the things in a week or 10 days, where are you? Are you any further advanced?

MR VINES: Hopefully we ... well, possibly we could be. If we were not, we would then be saying, 'Look, it's wasting our time, definitely arbitrate'.

COMMISSIONER WATLING: So we've got to take this big leap into the dark and say here's 3% and hopefully it might force the government to sit down with the union and negotiate all the issues.

MR VINES: Yes, in effect. Either a leap into the dark with the payment of the 3% or an interim decision on an operative date or some other pressure the Commission can exert on the government, because the pressure from last time around did work, for the first time. For the first time, they put their list of ...

COMMISSIONER WATLING: So you're putting to us now that we should also consider an interim position on an operative date only.

MR VINES: Well, that's an alternative, yes. I would imagine there's a significant number of alternatives available to the Commission.

COMMISSIONER WATLING: Well, of course there is, but we've only heard from you, one, and that is to grant the 3%.

MR VINES: Well, that is our principal position. But, I mean, I haven't gone into the full submissions as yet. As was indicated this morning what I put to the Commission this morning was very preliminary.

COMMISSIONER WATLING: Yes. Well, so you reckon a week to 10 days if the pressure was put on?

MR VINES: I would hope so, yes. Yes. From our point of view that's what we'd be looking to do.

COMMISSIONER WATLING: I see.

DEPUTY PRESIDENT: Time is the enemy of all of us, obviously. We don't have this afternoon available, but we'll just take a very brief adjournment and come back and hopefully it might assist.

SHORT ADJOURNMENT

DEPUTY PRESIDENT: Our 5 minutes was a bit long.

We believe that we've heard enough at this stage to offer some directive to the parties, and our statement is as follows:

We note the preferred position of the parties is to reach an agreed position with arbitration as a last resort, and we endorse those sentiments.

Whilst we appreciate the TPSA's concern as to the perceived delays during the course of negotiations, nevertheless, we are going to grant an adjournment to allow further discussions to take place on the applications before us, but at an accelerated rate.

When we resume, we will expect a report on the progress of negotiations.

If, arising out of that report, it appears to us that insufficient progress has been made, we give notice that we will be prepared to hear submissions in relation to an appropriate operative date for the second instalment wage increase.

In any event, we will on that occasion be prepared to arbitrate on any matters, if necessary, and which cannot reasonably be negotiated and form part of the structural efficiency exercise.

That's the end of our statement, and we will adjourn these proceedings until 10.30 a.m. on 27 June 1990.

HEARING ADJOURNED